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CHERRY HILL - These are stressful times for auto dealers.

Across the nation, Chrysler and General Motors are closing dealerships as part of their bankruptcy proceedings. And while the troubled automakers claim the closures are needed to save money and improve profitability, many dealerships are questioning the criteria used by the companies to select franchises for closure as well as the two manufacturers' desires to sign new binding agreements that provide little to no compensation in the event of additional closures.

Many other dealers complain their sales are suffering because banks are wary of granting auto loans to customers with anything less than stellar credit ratings.

Wading into the auto fray is freshman Congressman John Adler, D-3rd of Cherry Hill, who met with owners from 10 area auto dealerships plus the president of an auto dealers group on Sunday morning to discuss some of the issues affecting their dealerships.

"We're all trying to extract ourselves from this historic crisis," James B. Appleton, president of the New Jersey Coalition of Automotive Dealers, said at the outset of the meeting at the Clarion Hotel on Route 70. "There's so much uncertainty out there. For a lot of dealers, it's difficult to know what to wish for more: a letter from the manufacturer winding your franchise down or the one offering the opportunity to go forward."

Appleton was referring to the tactics being employed by Chrysler and GM both on dealerships the companies intend to close as well as those the two manufacturers have informed will remain open.

Chrysler ended franchise dealerships with 789 dealers this week, amounting to roughly 25 percent of its more than 3,150 dealerships nationwide. In Burlington County, franchise

agreements between Chrysler and Mall Chrysler on Route 38 in Maple Shade and Lenihan Jeep on Route 73 in Evesham ended.

GM has announced plans to cut ties with more than 1,100 of its 6,000 dealerships by the end of 2010, including 33 in New Jersey. The company has not made public which dealerships it intends to close.

Dealerships that lose their franchise agreements are forced to sell off their remaining inventories and parts, often at a loss. They can remain open as a used car dealership but are not permitted to sell new cars unless they obtain a franchise with another automaker.

Among the dealers that met with Adler, several said they were having their agreements terminated due to the bankruptcy proceedings. The Burlington County Times agreed not to disclose the identities of the dealers because GM has made no public announcement on specific closures and because many of the dealers have confidentiality agreements with the manufacturers.

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Those facing closure said the impact has been "devastating" both to their families and employees as well as many of their longtime customers.

"We've literally had people crying in our showrooms," said a dealer in attendance.

Several others questioned the selection criteria, noting that many high performing dealerships were axed.

"There was no rhyme or reason..." said another dealer. "My guys keep asking me how this happened. I don't have an answer."

Appleton and other dealers complained that New Jersey's franchise protection law was ignored,

particularly by GM, which they claimed has insisted that its remaining dealers sign new franchise agreements that waive many of their rights and protections against arbitrary closings.

"It was like having a gun to your head. You had to sign it, and the agreements are almost impossible," said a dealer.

The dealers urged Adler to support legislation known as Auto Dealers Economic Rights Restoration Act, which would stop the forced closing of Chrysler and GM dealerships and mandate that the state franchise laws be honored. The bill was introduced last week and already enjoys bipartisan support from numerous lawmakers, Appleton said.

Adler, who serves on the House Financial Services Committee, agreed to sign on as co-sponsor of the bill. The congressman also has supported the Cash for Clunkers legislation, which offers government rebates to consumers who trade in older, inefficient vehicles for qualifying newer models with high fuel efficiency, and has written a letter to President Barack Obama urging his administration to allow the free market to dictate auto dealership closures rather than manufacturers.

"A free market naturally eliminates underperforming entities in a fair and equitable manner," Adler wrote in a letter sent to the White House on Friday.

After the meeting, Adler said he would continue to fight to assist New Jersey's auto dealers, whom he called "the essence of Main Street business."

"It makes no sense that manufacturers are shutting profitable dealers that employ people and donate to causes in their communities," Adler said.